

**For Immediate Release:**

**December 1, 2008**

**Contact:**

**Michelle McGurk, PIO  
Office of Mayor Chuck Reed  
(408) 535-4840 or (408) 655-7332 cell**

**Mayor Reed Releases Economic Stimulus Plan  
and Redevelopment Capital Budget Message**  
*Strategy: invest in innovation, infrastructure, and job creation  
to strengthen San José's position in the global economy*

San Jose Mayor Chuck Reed has released his Economic Stimulus Plan and 2008-2009 Redevelopment Capital Budget Message (totaling \$259 million over two years) with a goal of fueling economic growth.

“San José and Silicon Valley have the potential to help lead California and the nation out of the current recession. By investing in innovation, we can fuel that process, benefiting our own local community, our region, and the nation,” Reed said.

The City Council, in its capacity as the Board of Directors of the San José Redevelopment Agency, will vote on the Redevelopment capital budget on Tuesday, December 9, 2008. Release of the 2008-2009 capital budget was delayed until year-end due to the historically late passage of the State of California budget. The State has appropriated over \$13 million in Redevelopment funds from San José, causing major impacts on financing local redevelopment projects and programs.

Mayor Reed's Economic Stimulus Plan focuses Redevelopment dollars on projects that contribute to job creation, private investment in new construction, and growing San José's tax base.

“San José needs to consistently tell our companies that we are open for business, that we appreciate their business, and that we want them to locate here, stay here and grow here,” Reed said. “We must continue to operate at the speed of business and be the best place in the world to create or grow a business. By doing so, we can encourage the growth of tomorrow's driving industries like biotech and clean tech, bringing green collar jobs and returning manufacturing to our community.”

Key proposals to accelerate new business development include:

- Expansion of the San José BioCenter – \$4 million.
- Clean Tech Jobs Investment Fund – \$2.5 million.
- Emerging Technologies Fund – \$2.5 million.
- Downtown Major Tenant Fund – \$3 million over two years.

- Vacant Lands and Buildings Inventory: preparing this inventory for immediate development and occupancy.
- In partnership with PG&E and other utilities, developing incentive zones in the Rincon de Los Esteros and Edenvale Redevelopment Project Areas.
- Reducing permit regulations to accelerate development projects.
- Obtaining additional state and federal funding for employment training and workforce development.
- Encourage investment in renewable energy and energy efficiency through assessment districts and microloans that leverage public and private funds.

The Mayor also proposes that the Redevelopment Agency and City accelerate capital projects, which will help create construction jobs. “We can speed up construction of projects that already have funding budgeted, allowing us to help get people back to work,” Reed said.

With the housing market in chaos and foreclosures on the rise, the Mayor is calling on the Redevelopment Agency and City to explore opportunities to invigorate investment in housing and help residents attain homeownership, such as:

- Allow some residential projects in North San José to move forward with building permits on an “as ready” basis even if the total units zoned exceed the limits imposed under the Phase 1 cap of the North San José Development Policy.
- Working with the State and local lenders to address foreclosure issues.
- Exploring additional uses of funds, such as: A revolving fund that provides security deposits for low-income renters; a first-time buyer’s fund to make down payments available to low income households otherwise financially qualified for home ownership; and cost offsets for financing multi-family affordable housing.

In an effort to spark development in Downtown and other commercial districts, Mayor Reed is recommending that funding to upgrade the McEnery Convention Center remain in the Redevelopment Capital Budget, pending the creation of an assessment district by local hotels, which will raise \$150 million towards the proposed expansion. Additionally, recommendations for Downtown include:

- Renovation of the Civic Auditorium.
- Exploring funding options for the Downtown San José BART portal.
- Land-banking in the Diridon/Arena for a future pedestrian and transit-oriented high-density community of residential, office and commercial uses and incorporating the future high speed rail and BART station.
- Continued partnership to ensure the success of Downtown high-rise housing development in light of the downturn in the housing market.

While San José is making bold investments to stimulate the local economy, which will in turn benefit the region, state, and the nation, Mayor Reed committed to aggressively pursue federal and state funding that will spur investment and job creation in San José in 2009. “President-elect Obama has discussed economic stimulus packages that would invest in cities, rebuild infrastructure, expand transportation systems, and put people back to work,” Reed said. “We must work to ensure that San José, the nation’s tenth largest

city, receives our fair share of funds to rebuild our aging infrastructure as well as support our emerging and driving industries.”

One such area for investment is the Bay Area’s regional commitment to become the Electric Vehicle Capital of the U.S., and develop the infrastructure to support the move to plug-in vehicles as our companies develop these cutting-edge technologies.

A stable economy and opportunities for good jobs have a benefit beyond the City’s fiscal health, impacting public safety as well. Mayor Reed’s Redevelopment Budget Message also includes funding to improve public safety and invest in neighborhoods.

This year, the inaugural Safe Summer Initiative, funded through the Mayor’s Gang Prevention Task Force, was a success with 7,424 youth participating in 435 different Safe Summer activities. Gang crimes of all types decreased by 31% while violent gang crimes decreased by 26% in summer 2008, compared with the previous summer. Mayor Reed’s proposal provides \$500,000 for the 2009 Safe Summer Initiative.

The Mayor’s Redevelopment Budget Message also includes funding for the following neighborhood improvements:

- Coyote Creek Trail in North San José -- \$500,000.
- Ten Code Enforcement Inspectors in Strong Neighborhoods Initiative areas and Neighborhood Business Districts – additional funding of \$182,052.
- Taylor Underpass Tree Planting Streetscape -- \$50,000.
- Hillview Playground -- \$200,000.

###